

# Delaware Valley Regional Planning Commission

## Memorandum of Understanding Concerning Special Procedures for Expediting TIP Amendments and Modifications for the Pennsylvania Portion of the DVRPC Region

Adopted by the DVRPC Board on January 26, 2012

Re-Affirmed on June 28, 2012

### I. PURPOSE AND BACKGROUND

The **purpose of this memorandum** is to establish a set of procedures to be employed by the Delaware Valley Regional Planning Commission (DVRPC) and its member agencies (PennDOT, the counties, cities, and transit operators) to expedite amendments and modifications to the regional Transportation Improvement Program (TIP).

Federal law (Titles 23 and 49, United States Code), as amended by the **Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA)**, the **Transportation Equity Act for the 21<sup>st</sup> Century (TEA21)**, and the **Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)**, requires every metropolitan planning organization (MPO, in this case DVRPC) to produce a multi-year TIP which includes all projects which will seek federal funds and all other regionally significant transportation projects. This TIP must be developed through the MPO's planning process which must be open to public input and comment. Federal law also requires the State to develop a Statewide Transportation Improvement Program (STIP) which includes all projects from the metropolitan TIPs (Pennsylvania has 15 MPOs), plus those projects from areas not covered by the MPOs which are handled through PennDOT.

These federal laws require a TIP to cover a minimum of four years and be updated at least every four years. Though DVRPC prepares a new regional TIP each year, the Pennsylvania portion of the program is updated every other year (on odd years) to coincide with the update of the STIP and the Twelve Year Program. The timing of the update process during a particular year is dictated by the need to have a TIP/STIP in place (i.e., adopted by the MPO, approved by the Governor, and accepted by the federal agencies of FHWA, FTA, and EPA) so that federal funding can proceed for the designated federal fiscal year which begins on October 1.

The federal **Statewide and Metropolitan Planning Regulations** (23 CFR 450), which govern the provisions of ISTEA/TEA21/SAFETEA-LU concerning the TIP, make a distinction between TIP amendments and other actions taken by the MPO which modify the TIP. The intent of this distinction is to streamline the procedures for implementing projects. Furthermore, the regulations permit the use of expedited procedures to accomplish certain changes if prior agreements have been established.

Based on these regulations, DVRPC and its member agencies agree to recognize two categories of MPO actions concerning changes to the TIP: **Amendments** and **Modifications** which are described below. In all cases in this MOU, the term TIP shall mean TIP/STIP.

## II. TIP AMENDMENTS

Federal regulation defines a TIP amendment as the **addition or deletion** of any project to the TIP. DVRPC and its member agencies further agree that a **significant change in project scope** (intent, alignment, degree of local impact, as assessed by DVRPC staff), the movement of a project from the **fourth year** into any of the first three years, or any action which causes there to be **no phases within the TIP period**, will also be considered an amendment requiring **formal action by the DVRPC Board**, generally based on a recommendation from the Regional Transportation Committee (RTC). Exceptions are allowed under certain circumstances for projects which received federal authorization under a previous TIP. (see Section III. B.)

In order to **add a new project to the TIP**, the sponsor must identify an equivalent cost reduction in the appropriate year and must maintain the overall financial constraint of the four year program. The reductions do not have to come from the sponsor's county, as long as they are acceptable to the parties involved.

ISTEA/TEA21 and the Clean Air Act Amendments (CAAA) require a new conformity determination if the TIP is amended by adding or deleting a project (except for projects classified as exempt by the CAAA). DVRPC staff will determine whether a project is exempt from the conformity requirements and, if it is not exempt, whether the air quality impacts will be calculated using the regional conformity model or a project level analysis. Staff will consult with the appropriate agencies, as necessary, in making this determination.

For the purposes of public involvement, DVRPC and its member agencies agree to recognize three classes of amendments. **Major amendments** include those projects which require a new regional conformity determination. Major amendments will require not less than a 30 day public comment period before Board action. **Minor amendments** include those projects which are exempt from the conformity requirements or which have been assessed using project level analysis procedures and found not to change the finding of conformity. Minor amendments will not require a 30 day comment period, but will seek public involvement through DVRPC's RTC and through the many opportunities outlined in DVRPC's Public Participation Plan.. **Administrative amendments** include actions for projects or project phases that have previously received federal authorization which, under this agreement, will only require approval by the Executive Director on behalf of the MPO, as described under Section III.B.

### III. EXPEDITED PROCEDURES FOR TIP MODIFICATIONS AND ADMINISTRATIVE AMENDMENTS

The federal regulations permit an MPO to move projects from **years two or three** of a TIP to the first year, or to change the **funding source** of a project, without going through the formal amendment process. The regulations refer to these actions as "project selection actions". DVRPC and its member agencies define these types of actions as TIP modifications and administrative amendments. Also included in the modifications category are project **cost changes** if they do not represent a significant change in project scope.

Federal regulations permit modifications to be made in an expedited manner if agreements exist between the participating agencies. DVRPC and its member agencies recognize that some modifications should be based on a formal action of the DVRPC Board. In many other cases, they can be handled through an interagency memorandum of understanding which establishes less formal administrative procedures.

This Memorandum of Understanding (MOU) establishes such expedited procedures as permitted by the federal regulations. In general, these procedures specify how changes can be made without formal action by the DVRPC Board. Instead, authority is either granted to the implementing agency, delegated to the DVRPC Executive Director or delegated to the RTC, based on specific conditions. The details of these procedures are described below:

#### A. Modifications Not Requiring Action by DVRPC

1. When there is a cost increase to a phase of a project listed in the approved TIP that is **less than or equal to \$1 million**.
2. When a project is listed in an approved TIP without a right-of-way phase or a utility phase and the need for some **incidental ROW** is discovered during the design phase. Such ROW purchase may be authorized under either the design or construction phases of the project without modifying the TIP. Incidental ROW is the purchase of a minor piece of property (including utility relocation) that does not involve the taking of any residential or business structure(s).
3. When either PennDOT or SEPTA deems it appropriate to **shift costs between certain funding categories** in accordance with available resources. The federal funding categories are limited to: for highway projects: the federal funding categories of National Highway System (NHS), Interstate Maintenance (IM), Bridge (BR), and Statewide Surface Transportation Program (STP); and, for transit projects: Section 5309 (formerly Section 3) and Section 5307 (formerly Section 9). PennDOT or SEPTA may also shift project funding between any of the state funding categories.
4. When either PennDOT or SEPTA need to add certain types of projects to the TIP that do not require formal action by the MPO as **exempted under federal law**. These include the addition of safety projects funded under 23 U.S.C. 402 and the addition of

federal Emergency Relief projects (except those involving substantial functional, locational and capacity changes).

5. When the **line items** for Betterments or Railroad/Highway Grade Crossing or other safety-related programs or any other conformity exempt line items are to be tapped for individual projects of **less than \$15 million**. In these cases, PennDOT will notify DVRPC of the project(s) and the amounts to be drawn from the line item. DVRPC will note the amount of funds remaining as of a given date in the project description section. If the individual project **exceeds \$15 million**, it will be treated as a minor amendment under the procedure in section **“C. Modifications Requiring Formal Action by DVRPC”**.

Under any of these circumstances, PennDOT or SEPTA will inform DVRPC of the action taken.

### **B. Modifications and Administrative Amendments Allowed Under Administrative Action by DVRPC**

The Executive Director, upon consultation with the affected county or counties, may process a proposed modification or administrative amendment to the TIP by administrative action (within 5 working days):

1. When a project sponsor wants to **move a project phase to the current fiscal year** that is listed under the second or third year of the TIP (i.e., for the FY2003 TIP: the years FY04 or FY05), unless there is a formal record of opposition to the project by a public interest group.
2. When a cost increase to a phase is **between \$1 million and \$5 million**, and the modification proposes to use funds only from other projects on the TIP that cannot be authorized that fiscal year due to scheduling or other delays, or if there is concurrence from the affected county(ies).
3. When the modification involves a **100% state funded** project that is not considered regionally significant under the conformity guidelines.
4. When a cost increase occurs to the construction phase of a project that was **already obligated** but is no longer shown in the TIP; or when a cost increase occurs to a pre-construction phase of a project that has already been obligated but is no longer shown in the TIP and that increase is not due to a significant change in the project scope.  
(Administrative Amendment)
5. When a project/phase appears in the “Transition Projects List” and the action is taken **during the transition period** (as defined under Section “D. Transition Project List”). If the action is requested after the transition period, it can only be administratively done under this section if other phases are shown on the TIP for the project.”
6. When PennDOT identifies a project phase that was authorized under the **advance construct** provisions and it now wishes to convert that authority to federal funds.  
(Administrative Amendment)

7. When PennDOT seeks federal authorization to cover **accrued unbilled costs or close outs** on projects and/or phases previously shown on the TIP and already authorized. (Administrative Amendment)
8. When a project phase is listed in the first year of the TIP, but the **second year of the TIP is the current fiscal year.**

DVRPC will notify its member agencies and the public of all such administrative actions. For Administrative Amendments, DVRPC will request that PennDOT seek FHWA/FTA approval.

### **C. Modifications Requiring Formal Action by DVRPC**

**All other changes** to the TIP not covered above will be submitted to the RTC for their review and resolution. The RTC may, at its discretion, recommend full DVRPC Board action. Any changes under this section should go to the RTC for recommendation before proceeding to the Board, except in the case when the delay would cause the actual loss of federal funding or obligation authority. Financial constraint will be maintained.

### **D. Transition Projects List**

For the purposes of this MOU, the parties define the **“transition period” as the first 120 days of the first federal fiscal year** of a newly adopted TIP. When the TIP is adopted it shall contain a list of projects/phases that had been shown in the second year of the previous TIP but which do not appear in the new/current TIP because it was expected that they would have been obligated before the new/current TIP went into effect. However, it is recognized that these projects/phases may not have actually received federal authorization before the state’s obligation authority was fully exhausted.

Therefore, the parties agree that any project/phase shown on the “Transition Projects List” may be authorized **during the transition period** of the new/current TIP under the procedures in section **“B. Modifications Allowed Under Administrative Action by DVRPC”**.

Any “transition” project phase **not authorized before the end of the transition period** must be added to the first year of the TIP in order to be eligible for federal funding. This may be done by **administrative amendment** provided the project has another phase of work in the current TIP. The parties agree that the requirements for public involvement have been met for these actions by virtue of the project’s presence in the prior TIP and the continuance of the project in the current TIP.

If a “transition” project does not have another phase of work in the current TIP, it will be treated as a minor amendment after the transition period under the procedure in section **“C. Modifications Requiring Formal Action by DVRPC”**.

For “transition” phases of projects with other phases shown in the new/current TIP, DVRPC will add the “transition” phase to the TIP. For “transition” phases of projects without other phases shown (this is typically the construction phase and the project is not in the new/current TIP at all), DVRPC will re-instate the project. In each case, financial constraint will be maintained.

## **E. Statewide Interstate Management Program**

PennDOT has established a statewide Interstate Management Program with designated funding through the Financial Guidance formula allocation process. This programming concept is also consistent with the Department's philosophy of managing the Interstate System within Pennsylvania as a single, statewide asset. The funds are distributed dependent upon statewide need as determined by a technical review of candidate projects. Interstate maintenance projects will be the only projects under this program; it will not address interstate completion projects or any capacity adding projects. PennDOT Districts will still retain project management responsibility for the interstate projects within their geographical areas. Continued coordination between PennDOT and the MPO/RPOs will be an integral part of the IM Program's success.

The parties agree that modifications and amendments to the Interstate Maintenance Program shall be governed by the *Memorandum of Understanding, Procedures for TIP and STIP Modifications* agreed to by PennDOT, the Federal Highway Administration, and the Federal Transit Administration.

## **IV. TIP MANAGEMENT REPORTS**

### **A. Fiscal Constraint Chart**

Financial constraint refers to keeping the costs of the TIP within the amount of funds that are reasonably available to the region. PennDOT and its Planning Partners statewide agree to a **Financial Guidance** package when developing the TIPs that sets the bounds of funding for each region. Each region is to maintain their TIP at that level during the life of the TIP, while the state is to maintain the overall financial constraint of the STIP. To assist in the maintenance of financial constraint of the TIP when making amendments and modifications under this MOU, DVRPC and PennDOT have devised a **Fiscal Constraint Chart**. The parties agree to use this electronic spreadsheet to identify each month the requested changes to the TIP and the beginning and ending balances in the fiscal constraint "bank" for the Highway Program. The parties accept their responsibility under the federal regulations to insure that the TIP remains fiscally constrained. They also acknowledge that maintaining financial constraint on an action by action basis may not always result in zero balances, but that every effort will be made to rectify any non-zero balances in concert with the state as it reassesses its estimate of reasonably available funds. The Fiscal Constraint Chart is the tool used by the state to make that determination.

### **B. Quarterly Performance Reports**

In order to better manage the TIP/STIP and provide decision makers with timely and accurate information about progress in implementing the TIP, DVRPC has established, in consultation with PennDOT and SEPTA, a series of quarterly reports. DVRPC will present these reports to the RTC and Board during the month following the end of each quarter.

1. PennDOT will identify the funding target for the current fiscal year as soon as possible after the federal government establishes the obligation limits for that year. This target

amount will be based on the region's allocation of programmed Base Funds as agreed to in the Statewide Financial Guidance for the TIP, factored by the ratio of the state's total obligation limit to total authorized funds for all base funding categories.

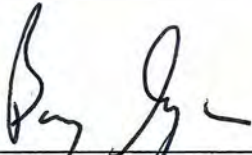
2. PennDOT will provide DVRPC with a quarterly report comparing the programmed target amount with the actual amount of funds obligated (federal) or encumbered (state) through the end of that quarter, by TIP funding category. SEPTA will provide DVRPC with a similar report comparing the programmed amount with the actual amount of funds secured under grants through the end of that quarter.
3. PennDOT will provide DVRPC with a report (and data file) showing the project/phase level detail of funds obligated or encumbered through the end of the quarter.
4. DVRPC will compile a TIP "Quarterly Target Report" from the PennDOT and SEPTA quarterly target reports for distribution to the RTC and DVRPC Board. DVRPC will post the Year-End Summary information on its website.

## **V. MEETINGS**

To provide for coordinated oversight of the TIP, the Pennsylvania Subcommittee of the RTC will periodically meet to review the status of the TIP and its implementation.

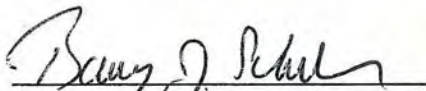
1. At the beginning of the second fiscal year of the TIP, the PA Subcommittee may meet to review all obligation activity during the previous year and the current project costs and schedules. If warranted, the subcommittee may recommend a package of adjustments to the TIP which will bring it in line with latest schedules and insure that the financial resources are in place going into the new fiscal year.
2. A Mid-Year (April) PA Subcommittee meeting may be held to review the status of all projects on the TIP. Program costs for projects obligated to date will be compared with the region's target obligation authority. If warranted, the subcommittee may recommend a package of adjustments to the TIP which will ensure that all obligation authority will be consumed by the end of the fiscal year.
3. Other meetings of the PA Subcommittee may be called from time to time by DVRPC as necessary to insure the proper development and management of the TIP and to expedite the implementation of the region's projects.

We, the undersigned, agree to use the above procedures to amend and modify the Delaware Valley Regional Planning Commission (DVRPC) Transportation Improvement Program (TIP) and the Statewide Transportation Improvement Program (STIP).



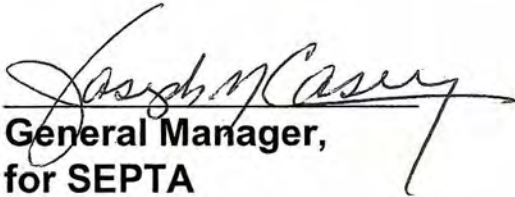
Executive Director,  
for DVRPC

Date 1/30/12



Secretary,  
for PennDOT

Date 2-9-12



General Manager,  
for SEPTA

Date 2/28/12

**APPROVED AS TO FORM:**

BY:  <sup>2/27/12</sup>  
GENERAL COUNSEL'S OFFICE



# MEMORANDUM OF UNDERSTANDING

## Pennsylvania Department of Transportation's Statewide Procedures for 2013-2016 STIP and TIP Modifications

### Purpose

This Memorandum of Understanding (MOU) establishes a set of procedures to be used in the Commonwealth of Pennsylvania for processing modifications to the 2013-2016 Statewide Transportation Improvement Program (STIP). The STIP is the aggregation of the Planning Partners' Transportation Improvement Programs (TIPs), including the Statewide Interstate Management (IM) Program and other Statewide line items.

### Definitions

- A **Betterment** consists of surface treatments/corrections to existing roadway [preferably within the Pennsylvania Department of Transportation's (PennDOT's) right-of-way] to maintain and bring the infrastructure to current design standards for that classification of highway. This may involve full depth base repair, shoulder widening, increased lane widths, correction of super-elevation, as well as, drainage improvements and guide rail updates.
- A **Change in Scope** is a substantial alteration to the original intent or function of a programmed project.
- **Cooperating Parties** are PennDOT, Metropolitan Planning Organizations (MPOs) and Rural Planning Organizations (RPOs), Federal Highway Administration (FHWA), Federal Transit Administration (FTA), and transit agencies.
- The **Interstate Management (IM) Program** is PennDOT's four year listing of Statewide interstate maintenance (non-capacity adding) projects.
- A **Modification** is either an amendment or an administrative action to the STIP/TIP.
- A **New Project** is a project that is not programmed in the current STIP/TIP, and does not have previous obligations from a prior STIP/TIP.
- A **Planning Partner** is an MPO or an RPO.
- A **Public Participation Plan (PPP)** is a documented broad-based public involvement process that describes how the Planning Partner will involve and engage the public in the transportation planning process to ensure that the concerns of stakeholders are identified and addressed in the development of transportation plans and programs.
- A **Reserve Line Item** holds funds that are not dedicated to a specific project(s) and may be used to cover cost increases or add a new project or project phase(s).

### What is a Statewide Transportation Improvement Program (STIP) and a Transportation Improvement Program (TIP)?

The STIP constitutes a list of projects to be implemented over a four-year period. It is comprised of regional TIPs developed by the 23 Planning Partners, and a Statewide IM Program developed by PennDOT. The STIP is the official transportation improvement program document mandated by Federal statute and recognized by FHWA and FTA. The Commonwealth's Twelve Year Program which incorporates the TIPs and STIP is updated every two years as required by state law.

23 USC 134(a) (Metropolitan Planning) states: “It is in the national interest to encourage and promote the safe and efficient management, operation, and development of surface transportation systems that will serve the mobility needs of people and freight and foster economic growth and development within and between states and urbanized areas, while minimizing transportation-related fuel consumption and air pollution through metropolitan and Statewide planning processes. To accomplish the objectives stated above, metropolitan planning organizations, in cooperation with the State and public transit operators, shall develop long range transportation plans and transportation improvement programs for metropolitan areas of the State.” In addition, 23 USC 135 (Statewide Transportation Planning) under “Development of Plans and Programs,” states: “To accomplish the objectives stated in section 134(a), each State shall develop a Statewide transportation plan and a Statewide transportation program for all areas of the State subject to section 134(a).”

Note that RPOs under contract to PennDOT are not recognized through Federal law or regulations relating to transportation planning. However, the Commonwealth of Pennsylvania, through PennDOT, coordinates and participates with RPOs in transportation planning by using the same principles and practices as are required for MPOs.

### **How and When is a STIP/TIP Developed?**

Attachment A provides general and procedural guidance for STIP/TIP development.

### **STIP/TIP Administration**

FHWA and FTA will only authorize projects and approve grants for projects that are programmed in the current approved STIP. If a Planning Partner, Transit Agency, or PennDOT wishes to proceed with a project not programmed on the TIP, a modification must be made.

The Federal Statewide and Metropolitan Planning regulations contained in 23 CFR § 450 govern the provisions of the STIP and of individual MPO TIPs, related to STIP and TIP modifications, and other actions taken to modify the TIP. The intent of this Federal regulation is to acknowledge the relative significance, importance, and/or complexity of individual programming actions. Federal Transportation Planning Regulations 23 CFR § 450.324 permits the use of alternative procedures by the cooperating parties to effectively manage actions encountered during a given TIP cycle. The Federal Transportation Planning Regulations require that any alternative procedures be agreed upon, and such alternative procedures be documented and included in the TIP document.

All modifications must maintain year-to-year fiscal constraint [23 CFR § 450.324 (i)] for each of the four years of the STIP/TIP. Modifications shall account for year of expenditure, and maintain the estimated total cost of the project or project phase. The arbitrary reduction of the overall cost of a project, or project phase(s), shall not be utilized for the advancement of another project.

In addition, TIP modifications must be consistent with the Planning Partner’s Long Range Transportation Plan (LRTP), and must correspond to the adopted provisions of the Planning Partner’s Public Participation Plan (PPP). A reasonable opportunity for public review and comment shall be provided for significant revisions to the STIP/TIP.

If a modification adds a project, deletes a project, or impacts the schedule or scope of work of an air quality significant project in a nonattainment or maintenance area, a new air quality conformity determination will be required if deemed appropriate by the Interagency Air Quality Consultation Group. If a new conformity determination is deemed necessary, an amendment to the region's LRTP shall also be developed and endorsed. The modified conformity determination would then be based on the amended LRTP conformity analysis and public involvement procedures consistent with the region's PPP shall be required.

If August Redistribution adds, advances, or adjusts costs for a project, the Planning Partner will be notified of the modification.

An IM STIP/TIP modification shall be coordinated by PennDOT with notification provided to the appropriate Planning Partner(s).

### **Modifications – Amendments and Administrative Actions**

An *amendment* is a STIP/TIP modification that:

- Affects air quality conformity regardless of the cost of the project or the funding source;
- Adds a new project or deletes a project that utilizes Federal funds;
- Adds a new project phase(s) or deletes a project phase (s) that utilizes Federal funds where the modification exceeds the following thresholds:
  - \$5 million for the Statewide IM Program
  - \$5 million for MPOs with 2000 US Census population > 1,000,000
  - \$3 million for MPOs with 2000 US Census population > 200,000 but < 1,000,000
  - \$2 million for the remaining MPOs and RPOs
- Increases or decreases a project phase(s) that utilize Federal funds where the modification exceeds the following thresholds:
  - \$5 million for the Statewide IM Program
  - \$5 million for MPOs with 2000 US Census population > 1,000,000
  - \$3 million for MPOs with 2000 US Census population > 200,000 but < 1,000,000
  - \$2 million for the remaining MPOs and RPOs
- Creates a new line item that utilizes Federal funds;
- Adds or deletes a project or a project phase that transfers Federal funds between a TIP and a Statewide line item;
- Adds a project (does not pertain to betterments) that exceeds that following thresholds, where the funds originated from a line item:
  - \$5 million for the Statewide IM Program
  - \$5 million for MPOs with 2000 US Census population > 1,000,000
  - \$3 million for MPOs with 2000 US Census population > 200,000 but < 1,000,000
  - \$2 million for the remaining MPOs and RPOs; or
- Involves a change in the scope of work to a project(s) that would:
  - Result in an air quality conformity reevaluation,
  - Result in a revised total project estimate that exceeds the thresholds established between PennDOT and the Planning Partner (not to exceed the threshold contained in this MOU)
  - Result in a scope change on any project that is significant enough to essentially constitute a new project.



All modifications (including modifications defined as administrative actions) associated with the amendment shall be identified and grouped as one action on a Fiscal Constraint Chart (FCC) demonstrating both project and program fiscal constraint. The identified grouping of projects (the entire amendment action) will require approval by the cooperating parties. In the case that a project phase is pushed out of the TIP period, the Planning Partner will demonstrate, through a Fiscal Constraint Chart, fiscal balance of the subject project phase on the 2<sup>nd</sup> period of the respective Planning Partners' long range transportation plan.

Approval by the MPO/RPO is required for amendments. The MPO/RPO must then request PennDOT Central Office approval using the e-STIP process. An FCC must be provided which summarizes the before, requested adjustments, and after changes along with an updated TIP. PennDOT's Central Office will review, approve, and forward to the appropriate Federal agency for review and approval, with a courtesy copy to the other Federal agency

In the case of the IM Program, approval by PennDOT's Program Management Committee (PMC) and FHWA is required.

An **administrative action** is a STIP/TIP modification that:

- Adds a project from a funding initiative or line item that utilizes 100 percent Statewide or local funding;
- Adds a project for emergency repairs to roadways or bridges, except those involving substantial, functional, location, or capacity changes\*;
- Adds or deletes a right-of-way phase for incidental right-of-way or utility work that does not exceed the threshold established in the MOU between PennDOT and the Planning Partner nor exceed the threshold established by this MOU;
- Draws down from an existing STIP/TIP reserve line item and does not exceed the threshold established in the MOU between PennDOT and the Planning Partner;
- Increases or decreases the cost of a project phase(s) or deletes a project phase(s) that does not exceed the threshold established in the MOU between PennDOT and the Planning Partner nor exceed the threshold established by this MOU;
- Adds or deletes a project (does not pertain to betterments) that does not exceed the thresholds established in the MOU between PennDOT and the Planning Partner, or established by this MOU, where the funds originated from a line item from the same TIP;
- Adds Federal or state capital funds from low bid savings, deobligations, release of encumbrances, or savings on programmed phases to another programmed project phase or line item;
- Does not affect air quality conformity nor involve a significant change in the scope of work to a project(s) that would trigger an air quality conformity re-evaluation; does not exceed the threshold established in the MOU between PennDOT and the Planning Partner, or the threshold established by this MOU; and does not result in a scope change on any project that is significant enough to essentially constitute a new project.

**Administrative actions do not require Federal approval.** However, PennDOT will forward a copy of any modification(s) to the appropriate Federal agency for review and comment, with a courtesy copy to the other Federal agency, as requested by the Federal Agency. PennDOT and the Planning Partner will work cooperatively to address and respond to any FHWA and/or FTA comment(s). FHWA and FTA reserve the right to disallow an administrative action that is not consistent with Federal regulations or with this MOU.

\*If a modification adds a project for emergency relief purposes, the project will be added as an *Administrative Action* to the STIP/TIP. 23 CFR § 450.216 (g (5)), emergency relief projects may (but are not required to) be included on the STIP, except those involving substantial functional, location, or capacity changes.

### **Financial Constraint**

Demonstration of STIP/TIP financial constraint to FHWA and FTA takes place through the summary of recent modifications. Real time versions of the STIP/TIP are available to FHWA and FTA through PennDOT's Multimodal Project Management System (MPMS).

### **STIP/TIP Financial Reporting**

PennDOT will provide a STIP/TIP Financial Report to each Planning Partner and to FHWA and FTA on a quarterly basis, and establish targets for Federal obligation and state encumbrances of funds within 90 days after the enactment of annual Federal appropriations legislation.

At the end of each quarter, PennDOT will provide each Planning Partner with a STIP/TIP Financial report of actual Federal obligations and state encumbrances for highway/bridge programs in their region. The STIP/TIP Financial Report provided to FHWA and FTA will also include the FHWA Planning Performance Measure – “percent of STIP/TIP projects advanced per year” on a Statewide and Planning Partner basis.

At the end of the Federal fiscal year, PennDOT will provide each Planning Partner, FHWA and FTA, a summary STIP/TIP Financial Report of all highway/bridge obligations and state encumbrances within their region. A year-end STIP/TIP Financial Report will be provided to FHWA and FTA that includes the FHWA Performance Measure – “percent of STIP/TIP projects advance per year, on a Statewide and Planning Partner basis for highway/bridge programs.

### **TIP Modification Procedures**

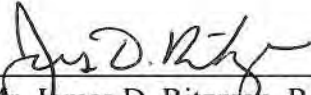
As each Planning Partner's TIP is adopted, their respective MOU will be included with the TIP documentation. The MOU will clarify how the planning partner will address all TIP modifications. **In all cases, the procedures can be more restrictive, but must be consistent with the standards adopted in this MOU.** If a Planning Partner elects to set more stringent procedures, then FHWA and FTA will adhere to those more restrictive procedures.

This document will serve as the basis for PennDOT when addressing IM TIP modifications.


This Memorandum of Understanding will begin October 1, 2012, and remain in effect until September 30, 2014, unless revised or terminated. Furthermore, it is agreed that this MOU will be reaffirmed every two years.

This Memorandum of Understanding will begin October 1, 2012, and remain in effect unless it is agreed to be modified by all parties or terminated.

We, the undersigned hereby agree to the above procedures and principles.

  
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Mr. James D. Ritzman, P.E., Deputy Secretary  
For Planning  
Pennsylvania Department of Transportation

3/21/12  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Ms. Renee Sigel, Division Administrator  
Federal Highway Administration

1/12/2012  
\_\_\_\_\_  
Date

  
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Ms. Brigid Hynes-Cherin  
Regional Administrator  
Federal Transit Administration

1/22/2012  
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Date